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FOR IMMEDIATE RELEASE:
January 27, 2016

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Governor Baker Releases Fiscal Year 2017 Budget Proposal

\$39.6 billion budget invests in education, workforce development, and local aid without raising taxes; budgets for Stabilization Fund deposit and significantly reduces reliance on one-time solutions

BOSTON – Today, the Baker-Polito Administration filed its budget proposal for Fiscal Year 2017 (FY17), known as “House 2,” which continues the multi-year effort of bringing state spending in line with revenues, significantly reducing the state’s reliance on one-time solutions, and budgeting for a sizable deposit into the stabilization fund. The administration’s plan recommends key investments in education, local aid, addressing substance misuse, workforce development, transportation, and the Department of Children and Families (DCF), all without raising taxes or fees.

“This year’s budget sets the table for fiscal responsibility and a strong economic environment, without raising taxes or fees on our hardworking families,” **said Governor Baker**. “Our proposal makes targeted investments in transportation, education, the Department of Children and Families and fulfills our commitment to cities and towns to bolster local aid as we aim to make Massachusetts great in every community.”

“The Baker-Polito Administration understands we can only be as strong as the

communities we serve and our budget plan increases local aid and education funding, including a new IT program for the Community Compact Cabinet,” **said Lt. Governor Polito**. “As chair of the Governor’s Council to address Sexual Assault and Domestic Violence, I am also pleased to announce new investments to support law enforcement training to strengthen resources and make our communities safer for families across the Commonwealth.”

“This budget proposal continues the administration’s progress to getting the Commonwealth back on the path of fiscal sustainability,” **said Administration and Finance Secretary Kristen Lepore**. “The state’s long term fiscal health depends on the Commonwealth getting to structural balance and our ability to put money into the Stabilization Fund while the economy is growing.”

INVESTING IN MASSACHUSETTS

Investing in Great Communities:

- Increases unrestricted local aid by 4.3%, equal to 100% of the consensus revenue growth rate for state tax revenue.
- Continues the Community Compact program to provide technical assistance to over 100 communities in financial planning, economic development, regionalization and a new program to create a domestic violence prevention training toolkit for communities.
- Funds the Department of Conservation and Recreation’s (DCR) Fun and Safe Summer Program, to extend hours and offer safe, productive alternatives for families at certain pools and athletic complexes in the Commonwealth’s cities.
- Funds over 20 million meals through the Department of Agricultural Resources’ Massachusetts Emergency Food Assistance Program for members of the Commonwealth in need.
- Provides \$2 million in assistance to the Department of Veterans Services for housing programs.
- \$3 million of Urban Agenda grants will fund grassroots economic development in urban communities and unlock community-driven responses to local economic opportunities through partnership building, problem solving, and shared accountability.
- Provides \$200,000 for an Office of Faith-Based and Community Initiatives under the Governor’s Office and Executive Office for Administration and

Finance to engage and assist community, faith-based, and not-for-profit organizations in identifying resources that advance their service offerings and promote volunteerism, civic engagement, and grassroots community development.

Making Massachusetts Schools Great:

- Increases Chapter 70 education funding by \$72.1 million.
- Supports \$18.6 million for a redesigned quality kindergarten grant program to assist communities in achieving tuition-free, full-day kindergarten.
- Adds over \$20 million for a revised charter school reimbursement formula to reimburse towns.
- Supports the development of a next generation MCAS with \$5.6 million.
- Directs funds to support children and families who are most at risk in a number of ways, including:
 - \$8.3 million for over 1,500 vouchers for the Department of Transitional Assistance's (DTA) Stabilizing the Working Poor initiative;
 - \$4.3 million to fund 600 childcare vouchers for children in DCF care;
 - \$1 million for quality improvements at Early Education and Care for better assessments, accreditation assistance, and professional development.

Preparing Massachusetts Workers for Great Jobs:

- More than \$136 million in the proposal is dedicated to workforce training initiatives across several secretariats, including:
 - \$5 million to support recommendations of the Governor's Task Force on Persons Facing Chronically Higher Rates of Unemployment;
 - \$17 million for career technical education and STEM programs;
 - \$11.5 million for the Summer Jobs for At Risk Youth program;
 - \$12 million for the Pathways to Self-Sufficiency Program.

Battling the Opioid and Heroin Epidemic:

- Funds 150 adult residential treatment beds that will come online to help address the Commonwealth's substance misuse epidemic.
- Over \$140 million to support investments in substance misuse prevention, intervention, treatment, and recovery services at the Department of Public Health (DPH).
- \$13 million in new funding for the Department of Mental Health (DMH) will

support 45 substance use treatment beds (beyond the 150) at the Taunton State Hospital, in order to end the long standing practice of civilly committing women to MCI-Framingham.

Investing in the Department of Children and Families:

- The Department of Children and Families will receive \$30.5 million in new funding under the Governor's proposal.
- The FY17 budget supports 281 new hires at DCF, which will mark 600 new employees at the agency since the beginning of the Baker-Polito Administration.
- Another \$5 million in new funding will go toward initiatives to decouple area offices, achieve a 4:1 ratio of supervisors to area program managers, and support additional domestic violence and substance abuse specialists.

Investing in Public Transportation:

- As recommended by the MBTA Fiscal and Management Control Board, House 2 directs \$187 million in additional contract assistance to the MBTA, sustaining the 50% (\$64 million) increase made in FY16 – in addition to the \$1.001B the T will receive from sales tax and other general revenue.
- \$500,000 increase for reforms at the Registry of Motor Vehicles to reduce wait times and update IT systems.

Public Safety Support:

- Funding for new positions at the State Police crime lab, the Sex Offender Registry Board, and the Office of the Chief Medical Examiner.
- The FY17 budget proposal also provides \$1.4 million to aid state and local police in their fight against drug traffickers, particularly in many Gateway Cities.

FISCALLY RESPONSIBLE REFORMS

- The budget plans for at least a \$206 million deposit into the state's Stabilization Fund. The deposit could increase to \$282.5 million should the Mass Gaming Commission issue a license to the Region C (Southeastern, MA) Facility in FY17.
- The FY17 House 2 budget proposal makes significant progress towards eliminating the long-term structural imbalance identified last year by reducing

the identified gap from \$1.8 billion in FY16 to \$635 million in FY17.

- The use of one-time budget solutions is down by nearly \$1 billion over the past two years, from \$1.2 billion in FY15 to \$253 million in FY17.
- Spending growth in this proposal is around 3.5% above the FY16 General Appropriations Act and continues progress in keeping MassHealth spending, which accounts for over one-third of the state budget, to 5% gross growth over the FY16 GAA.
- Along with announcing today's budget proposal, the Governor simultaneously filed a bill that would largely return the film tax to its original form by reinstituting a per-project cap and making them no longer refundable. The budget proposes reinvesting the savings from this bill into increasing the supply of affordable and workforce housing and improving the state's economic competitiveness and job growth opportunities.

[View the Governor's FY2017 Budget Recommendation](#)

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